



The Utilization of Representative Payee Services

Testimony provided by

Jason E. Wills, CPA, Finance Director, Community Action Partnership

Before the

**United States Senate Special Committee on Aging
Hearing on Social Security Administration Representative Payees
September 9, 2003**

Introduction

Good Morning. I would like to thank Chairman Craig and the members of the Special Committee on Aging for the opportunity to present testimony regarding the utilization of a Representative Payee services.

My name is Jason Wills. I am a CPA, as well as the Finance Director for Community Action Partnership in Lewiston, Idaho. Community Action Partnership is a social service non-profit organization whose services include; weathization, housing, children's services, community services, and aging.

Background

Community Action Partnership's involvement in the implementation of a Representative Payee service began out of our Aging department, approximately 12 years ago, as the need for payee services grew in proportion to our local aging population. The Social Security Administration appoints a representative payee when a beneficiary is determined incapable of managing or directing someone else to manage their Social Security payments. From this beginning, our Payee program has grown to include individuals from all age groups with various needs for a Representative Payee.

Historically, our program has had 91 payee clients as of September 2001, and 97 clients as of September 2002. Currently our program has approximately 94 payee clients. Of these 94 clients, approximately 15 are over the age of 60. 16% of our total client base is over 60 years old.

All payee clients we serve are required to have a case manager. All financial requests are received from the client's case manager and evaluated on a case by case basis. Our Representative Payee program has no direct contact with the actual payee clients, but rather, shares information with the case manager to present to the client.

Community Action Partnership's highest priority for our Representative Payee clients is to ensure their basic needs are being met with the limited amount of income received. This is done by developing monthly budgets and projections for clients on an individual basis. The Representative Payee program does have some "high risk" clients. High risk clients would be individuals who are aware of the amount of money received from social security on their behalf, and place requests for non essential payments before all basic needs payments have been issued. Payments for food, shelter, clothing, medical care and communication are identified as basic needs for the Representative Payee clients. On average, our payee clients receive between five hundred and six hundred dollars a month to live on.

Partnership Success

Community Action Partnership has been successful in developing partnerships within our organization that fosters and encourages the utilization of our many resources. One of

these partnerships includes the Representative Payee program. Recently, an elderly client was facing neglect and abuse in their current living arrangement. Our Area Agency on Aging case managers were able to remove the individual from the potentially harmful situation and were able to have the individual's financial needs met through the utilization of our Payee program.

Program Strengths/Protection

Community Action Partnership's Representative Payee program has not always had the strong internal controls in place that it currently has now. In early 1997, it was noted that some potential misappropriation of Representative Payee funds had occurred in the past. Community Action Partnership contracted with an outside accounting firm to perform a fraud investigation of the Payee funds.

From this investigation, it provided Community Action Partnership with the necessary awareness and experience to implement significant changes in the internal controls surrounding the safeguarding of funds for the Representative Payee clients. Some of these controls are outlined as follows:

1. Automated accounting ledgers.
2. Dual signatures for cash disbursements.
3. Signatures can not include the individual who initiated the cash disbursement.
4. Independent monthly bank reconciliations performed by an individual not associated with the Representative Payee program.
5. All cash disbursements are made payable to vendors with supporting documentation.
6. Establishment of a collective bank account rather than separate banking accounts for every individual for efficiencies.
7. Reconciliation of detailed monthly reporting by client.

Community Action Partnership continues to ensure the guardianship of client's funds by implementing and maintaining strong internal controls, developing good communication with our local Social Security Field Office, maintaining good relations with client's case managers, and being a financial advocate for our clients in terms of debt resolution and restriction.

Conclusion

Community Action Partnership helps people and changes lives. This statement is especially true for our Representative Payee program. This program proves to be a valuable alternative to guardianship of an individual's financial affairs and provides clients with the empowerment to control some degree of how their money is spent. The ability to have influence over an individual's financial affairs has proven effective especially for our elder clients in a time when other privileges are being restricted.

I would like to thank the Chairman and Committee Members for this opportunity to share with you some of the challenges and successes Community Action Partnership has experienced with our Representative Payee program. I would ask for your continued support for this vital program on behalf of the seniors of Idaho and America.